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Korea

Fishery Products

Adjustment Tariff on Croaker and Skate

2000

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Report Highlights: Croaker and skate are held in high demand by Koreans and, as such, capture a premium on the local market. Markets for both fish were liberalized in 1997 per terms of a WTO 1989 Balance of Payment panel determination. Since 1997, imports have steadily increased despite the hefty adjustment tariff assessed by the government in the name of protecting small and medium-sized Korean fishermen. A clause in the Korean Customs Act, however, allows Korean joint venture agreement participants to import croaker and skate at “zero” duty. In CY 2000, all other importers pay 80 percent and 60 percent on croaker and skate, respectively.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Seoul[KS1], KS

Executive Summary

Croaker and skate are held in high demand by Koreans. Korea defines croakers into two subcategories - Yellow Corvina (HS 0303.79.6000) and Croaker (HS 0303.79.9095). Yellow Corvina consists of two species: Richardson (*Pseudosciaena crocea*) and Bleeker (*Pseudosciaena polyactis*). Croakers consist of all remaining species in the croaker family: Bobo croaker (*Pseudolithus*), Longneck croaker (*Pseudolithus typus*), Tiger-toothed croaker (*Otolithes ruber*), *Pseudolithus* sp., and Soldier croaker (*Nibea soldado*). These distinctions are important for tariff reasons. Croakers are actually double the size of the consumer-popular Yellow Corvina.

Calendar year 1999 data through November show Korea harvested 31,000 MT of Yellow Corvina, 25,000 MT from adjacent seas and 6,000 MT from deep sea sources. During the same period in 1999 Korea imported 43,000 MT of Yellow Corvina, principally from China. The tariff remains 10 percent again in CY 2000.

Annually, Korea harvests between 22-28,000 MT of the croaker. The croaker harvest is principally deep-sea origin, yielding anywhere from 20-27,000 MT per annum. The balance of the harvest originates from on/off shore sources. Annual imports total only 2-3,000 MT as it faces a high adjustment tariff, 90 percent in CY 1999 and 80 percent in CY 2000.

Skate harvest average about 1,000 MT per annum from adjacent seas. It is considered a traditional specialty food, meaning it is an integral dish at local festivals and holidays such as Lunar New Year, Chusok (Korean Thanksgiving Day), and wedding ceremonies. Stingray substitutes for Skate. Calendar year 1999 data through November show Korean imports of 7,000 MT with a 70-percent adjustment tariff (declining to 60 percent in CY 2000). Between 1997-1999, the United States import market share stands as 21-25 percent versus Chile's 32-35 percent and Argentina's 27-31 percent.

Croaker and skate imports were liberalized in July 1997. The Korean Customs Act allows joint venture firms (49 percent minimum ownership by a Korean fishery firm) to import croaker and skate at "zero" duty. Presently, there are five such joint venture agreements in place with firms from Argentina and Chile. The Chinese fishing industry is major counterpart of the joint venture business. All other importers pay the adjusted tariff on the imported croaker and skate. Note: joint venture agreements exist with numerous companies and other countries and are provided lower tariffs on seafood products imported into Korea..

Croaker Production and Import (MT)					
Year	Production			Import	Applied Tariff Tate(%)
	On/Off Shore	Deep Sea	Total		
1990	2,391	5,846	8,237	1/	2/
1991	2,672	8,997	11,669	1/	2/
1992	2,272	9,127	11,399	1/	2/
1993	1,908	14,705	16,613	1/	2/
1994	2,363	19,693	22,056	1/	2/
1995	2,164	21,207	23,371	1/	2/
1996	1,940	21,280	23,220	1/	2/
1997	1,177	27,478	28,655	3,201	100
1998	1,285	20,803	22,088	1,795	100
1999 (1-11)	1,303	21,776	23,079	2,026	90
2000					80

1/ Not separable under H.S. classification 0303.79.909X. In 1997, croaker was assigned its own H.S. classification - HS 0303.79.9095.

2/ Trade was restricted.

Source: The Ministry of Maritime Affairs and Fishery (MOMAF), Korea Customs Service (KCS)

Yellow Corvina Production and Import (MT)					
Year	Production			Import	Applied Tariff Tate(%)
	On/Off Shore 1/	Deep Sea	Total		
1990	42,981	0	42,981	667	2/
1991	57,641	0	57,641	1,462	2/
1992	93,917	0	93,917	1,446	2/
1993	50,869	0	50,869	2,709	2/
1994	62,118	0	62,118	2,269	2/
1995	45,744	0	45,744	1,091	2/
1996	42,700	0	42,700	2,858	2/
1997	35,279	0	35,279	8,803	10
1998	27,748	1,241	28,989	19,282	10
1999 (1-11)	24,977	5,954	30,931	42,669	10
2000					10

1/ Includes Yellow Corvina, Other Corvina and Yellow Croaker.

2/ Trade was restricted.

Source: The Ministry of Maritime Affairs and Fishery (MOMAF), Korea Customs Service (KCS)

Skate Production and Import (MT)			
Year	Production (On/Off Shore)	Import	Applied Tariff Tate(%)
1990	na	1/	2/
1991	2,548	1/	2/
1992	3,488	1/	2/
1993	2,074	1/	2/
1994	1,850	1/	2/
1995	2,227	1/	2/
1996	3,127	5,710	2/
1997	3,223	8,549	50
1998	1,764	5,080	70
1999 (1-11)	635	6,336	70
2000			60

1/ Not separable under H.S. classification 0303.79.909X. In 1996, skate was assigned H.S. code HS 0303.79.9093.

2/ Trade was restricted.

Source: The Ministry of Maritime Affairs and Fishery (MOMAF), Korea Customs Service (KCS)

Ray Production and Import (MT)					
Year	Production			Import	Applied Tariff Tate(%)
	On/Off Shore	Deep Sea	Total		
1990	7,635	3,788	11,423	1/	2/
1991	7,219	3,204	10,423	1/	2/
1992	5,566	2,884	8,450	1/	2/
1993	7,720	3,460	11,181	1/	2/
1994	4,322	8,325	12,647	1/	2/
1995	3,990	9,732	13,722	1/	2/
1996	3,632	7,465	11,097	1/	2/
1997	3,412	7,751	11,163	1/	2/
1998	2,600	3,814	6,414	1/	10
1999 (1-11)	3,674	9,055	12,729	4,113	10
2000					10

1/ Not separable under H.S. classification 0303.79.909X. In 1999, ray was assigned H.S. code HS 0303.79.9096.

2/ Trade was restricted.

Source: The Ministry of Maritime Affairs and Fishery (MOMAF), Korea Customs Service (KCS)

Korea: Adjusted Tariff Schedule For Fishery Products (Percent)

Description	H.S. Code	General	1997	1998	1999	2000
Eel, Live	0301.92.xxxx	10	na	50	30	30 a/
Sea Bream, Live	0301.99.4000	10	100	100	80	70 b/
Sea Bass, Live	0301.99.9050	10	100	100	80	70
Loaches, Live	0301.99.9070	10	100	100	70	60 c/
Rock Trout, Live	0301.99.9091	10	30	na	na	na
Alaska Pollack, Frozen	0303.79.1000	10	30	30	30	30
Sea Bream, Frozen	0303.79.40XX	10	14	na	na	na
Saury, Frozen	0303.79.8000	10	na	50	50	50
Puffer, Frozen	0303.79.9020	10	40	na	na	na
Skate, Frozen	0303.79.9093	10	50	70	70	60
Croakers, Frozen	0303.79.9095	10	100	100	90	80
Alaska Pollack Roe, Frozen	0303.80.2010	10	14	na	na	na
Alaska Pollack Fillet	0304.20.1000	10	30	30	30	25 d/
Shrimp, Not Pld, Frozen	0306.13.9000	20	40	40	40	35
Shrimp, In Brine	0306.23.3000	20	100	100	70	60 e/
Scallops	0307.2x.xxxx	20	na	50	na	na
Squid, Frozen	0307.49.1020	10	30	40	40	40
Poult Squid, Frozen	0307.59.1020	20	50	40	40	35 f/
Sea Mustard	1212.20.2xxx	20	24	22	na	na
Tuna And Skipjack, canned	1604.14.xxxx	20	40	32	na	na
Bai Top Shell	1605.90.9070	20	50	50	na	na
Seasoned Squid	1605.90.9010	20	30	30	30	25 g/

a/ or 1,908 Won/Kg, whichever is greater.

b/ or 5,122 Won/Kg, whichever is greater.

c/ or 524 Won/Kg, whichever is greater.

d/ or 383 Won/Kg, whichever is greater.

e/ or 396 Won/Kg, whichever is greater.

f/ or 622 Won/Kg, whichever is greater.

g/ or 395 Won/Kg, whichever is greater.

Source: Korea Customs Research Institute, Tariff Schedule of Korea